

# 64th Annual Report 2010-2011

**Bright Brothers Limited**



**Board of Directors****Chairman & Managing Director**

Mr. Suresh Bhojwani

**Whole Time Director**

Mrs. Hira T. Bhojwani

**Directors**

Mr. Byram Jeejeebhoy

Mr. K. P. Rao

Dr. T. S. Sethurathnam

**CFO & Company Secretary**

Mr. Tushar Naik

**Banker**

Bank of Baroda

**Auditors**

M/s. Dhody & Associates, Bhilai

Chartered Accountants

**Registered Office**

610-611, Nirman Kendra,

Famous Studio Lane,

Dr. E. Moses Road,

Mahalaxmi,

Mumbai-400 011.

Tel.: 022 2490 5324

Fax : 022 2490 5325

E-Mail: ho@brightbrothers.co.in

**Corporate Office**

B-54, Road No. 33,

Gynaeshwar Nagar,

Wagle Industrial Estate,

Thane-400 604.

Tel.: 022-2583 5158

**Website**

www.brightbrothers.co.in

**Registrar and Share Transfer Agent**

M/s. Sharepro Services (India) Private Limited

**Venue :** Walchand Hirachand Hall, 4th Floor

Indian Merchant Chamber Building

IMC Marg, Churchgate

Mumbai 400 020

**Date :** Thursday, 4th August, 2011

**Time :** 3.00 p.m.

**Factories**

Plot No. 1/1 to 1/4,

Thirubhuvanai,

Mannadipet Commune,

Puducherry-605 107.

Plot No. 16-17, Sector 24,

Faridabad-121 005.

Hiltron Electronic Complex,

Plot No. C, D, E, F & G

Mallital, Bhimtal,

Nainital-263136

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## NOTICE

The Sixty-Fourth ANNUAL GENERAL MEETING of Members of BRIGHT BROTHERS LIMITED will be held at "Walchand Hirachand Hall", 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, the 4th day of August 2011 at 3.00 pm to transact the following business: -

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date, together with the Reports of the Directors and Auditors' thereon.
2. To declare dividend on Equity shares for the financial year 2010-11.
3. To appoint a Director in place of Mr. Byram Jeejeebhoy who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Dhody & Associates, Chartered Accountants, Registration No. 003837C, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise Audit Committee of the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: -

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, hypothecation, charges, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company in favour of the banks/ financial institutions/or any lender to secure Rupee Term Loans/foreign currency loans, Working capital facilities or any other borrowing proposed to be availed by the Company which includes interest, additional interest, liquidated damages, commitment charges, premium on pre-payment, costs, expenses and any charges payable by the Company to the concerned lenders, not exceeding ₹ 50 crores.

RESOLVED FURTHER that, the Board of Directors be and is hereby authorised to finalize the documents and deeds as may be applicable for creating appropriate mortgage and/or charge on such of the immovable and/or movable properties of the Company on such terms and conditions as may be decided by the Board of Directors, and perform all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/charges as aforesaid."

By Order of the Board of Directors

**TUSHAR NAIK**  
CFO & Company Secretary

Place : Mumbai  
Date : 8th June, 2011

Registered Office:  
610-611, Nirman Kendra,  
Dr. E. Moses Road,  
Famous Studio Lane,  
Mahalaxmi, Mumbai 400 011.

**NOTES:**

- (1) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business is annexed hereto.

- (2) Proxies

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Proxy submitted on behalf of limited companies, societies, partnership firms etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.

- (3) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, August 1, 2011 to Thursday, August 4, 2011 (both days inclusive).

- (4) Payment of Dividend

The Dividend as recommended by the Board, if declared at the Annual General Meeting, will be paid as under:

- a) To all Beneficial Owners at the close of business hours on Friday 29th July, 2011 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. in respect of shares held in demat form.
- b) To all Members in respect of shares held in physical after giving effect to the valid shares transfer lodged with the Company on or before the close of business hours on Friday 29th July 2011.
- c) In order to avail of the Electronic Clearing System (ECS) for receiving direct credit of the dividend to his/their respective account with the Bank(s), the members holding shares in physical form are requested to provide bank account details to the Company's Registrar and Share Transfer Agent, M/s. Sharepro Services (India) Pvt. Ltd.
- d) Members holding shares in dematerialized form are requested to update and advise change, if any, in their bank details/ ECS mandates to their respective Depository Participant immediately to enable the Company to pay the dividend accordingly.

- (5) Unclaimed Dividend

Members who wish to claim dividend, which remains unclaimed are requested to either correspond with the Corporate Secretarial Department at the Company's registered office or the Company's Registrar and Share Transfer Agent (RTA) (Sharepro Services (India) Pvt. Ltd.). Members are requested to note that dividends which remain unclaimed, as per Section 205A (5) read with Section 205C of the Companies Act, 1956, will be transferred to the Investor Education and Protection Fund of Government of India.

- (6) Members are requested to bring their copy of the Annual Report to the meeting.

- (7) Members desiring any information on the Accounts are requested to write to the Company Secretary at the registered office of the Company at least seven days in advance so as to enable the Company to keep the information ready.

- (8) Pursuant to the provisions of Section 109A of Companies Act, 1956, the facility for making nomination is now available for members in respect of shares held by them. The Nomination Form 2B as prescribed can be obtained from the Company's Registrar and Share Transfer Agent or the Secretarial Department of the Company at its Registered Office.

## ANNEXURE TO THE NOTICE

### Explanatory Statement Pursuant To Section 173(2) Of Companies Act, 1956.

#### ITEM No.: 5

As on the date of Balance sheet the Company does not have any substantial secured debt. The unsecured debt comprised of fixed deposit accepted from Directors and their relatives. In order to achieve future sustainable growth, the Company is exploring various options by way of acquisition or setting up of new project to widen its product portfolio and customer base. In order to fund the capital expenditure for new projects and the increased working capital requirement due to high turnover, the Company is exploring the various options of raising the funds from banks, financial institutions and other lenders. Taking into consideration the inflationary situation and RBI's policy to strengthen the interest rate, it would be prudent for the Company to tie up with a banker for availing the above-mentioned facility

As per Section 293(1)(a), creation of mortgage, hypothecation and charges as stated above may be deemed to be a disposal of the Company's properties/undertaking in certain events of default. Accordingly, the Ordinary Resolution set out under Item No. 5 of the notice is submitted to the members for their approval.

None of the Directors are interested in the resolution.

By Order of the Board of Directors

**TUSHAR NAIK**  
*CFO & Company Secretary*

Place : Mumbai

Date : 8th June, 2011

*Registered Office:*

610-611, Nirman Kendra,

Dr. E. Moses Road,

Famous Studio Lane,

Mahalaxmi, Mumbai 400 011.

**Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting.  
(Pursuant to Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchange)**

<b>Name of Director</b>	<b>Mr. Byram Jeejeebhoy</b>
Date of Birth	12th June 1945
Date of Appointment	27th June 2008
Educational Qualification	B.A. (Econ.) Hons, Business Management course from London School of Economics, LTCL (Lon.), FRGS
Experience	More than three-decades experience in property development in India and abroad.
Expertise in specific functional area	Wide experience in financial advisory, Real Estate business and Property Development.
No. of Equity shares held in the Company (Both on ownership basis or held by any other person on a beneficial basis)	12,500
List of Public Companies in which outside Directorships held as on 31st March 2011	Nil
Chairman /Member of the Committees of the Board of the Companies in which he is a Director as on 31st March 2011	Nil
Relationship with other Directors of the Company	Nil

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have great pleasure in presenting to you the 64th Annual Report together with Audited statement of Financial Accounts for the financial year ended 31st March 2011.

### Financial Performance:

(₹ in Lakhs)

Particulars	Year Ended March-2011	Year Ended March-2010
<b>Net Sales and Operating Income</b>	<b>12739.22</b>	9892.16
Less: Expenses	<b>12013.70</b>	9458.01
Operating Profit	<b>725.52</b>	434.15
Add: Other Income	<b>378.91</b>	341.27
<b>Profit Before Interest, Depreciation and Taxes</b>	<b>1104.43</b>	775.42
Financial Expenses	<b>326.55</b>	272.04
Depreciation	<b>277.71</b>	197.98
<b>Profit Before Tax</b>	<b>500.16</b>	305.39
Less: Provision for tax (Including Deferred Tax)	<b>80.22</b>	20.00
Wealth Tax	<b>2.00</b>	2.23
Tax for prior period	<b>263.99</b>	—
<b>Profit After Tax</b>	<b>153.95</b>	283.16
Balance brought forward from previous years	<b>1395.36</b>	1266.02
Adjustments for prior period	—	(2.95)
Balance available for Appropriation	<b>1549.32</b>	1546.23
<b>Appropriations :</b>		
Transfer to General Reserve	<b>15.00</b>	15.00
Proposed Dividend on Equity Shares	<b>113.60</b>	116.13
Corporate Tax on Dividend	<b>18.86</b>	19.74
Balance carried to Balance Sheet	<b>1401.84</b>	1395.36

### Dividend:

Your Directors are pleased to recommend a dividend of ₹ 2/- per Equity share for the year ended 31st March 2011 on 56,80,235 Equity Shares of ₹ 10/- each subject to the approval of the Shareholders' at the ensuing AGM. The Dividend payout, including tax on dividend of ₹ 18.86 lakhs will be ₹ 132.47 lakhs compared to ₹ 135.86 lakhs in the previous year.

### Operational & Financial Highlights:

Up to third quarter of 2010-11, the Indian economy in general and Consumer Durable industry in particular has displayed growth and buoyancy but from the end of third quarter onwards the high finance cost, surging commodity prices and inflation kept the market conditions fiercely competitive and exerted relentless pressure on margins.

During the year the gross turnover has increased from ₹ 106.78 cr to ₹ 139.09 cr an increase of 30.25%. The operating profit has increased from ₹ 4.34 cr. to ₹ 7.25 cr., increase of 67%. The operational performance has improved mainly due to higher turnover, full year operation of Bhimtal unit compared to eight months operation for the previous year and better control on operational parameters.

In spite of reduction in investible surplus fund, due to higher yield from investment in Inter Corporate Deposit and units of mutual fund from third quarter onwards, the other income has increased from ₹ 3.41 cr. to ₹ 3.79 cr.

On working capital front, the Company continues to focus on the efficient management of stock and sundry debtors.

Based on the future projected requirements by our existing customers and to meet the requirements of Material handling Division, the Company has carried out major capital expansion at both the plants i.e. Faridabad and Puducherry, mainly for increasing the installed capacity and partly for replacement of old machines with a view to increase the productivity and reduce the power cost. The funding for the same has been met from a mixture of internal generation and surplus funds. This expansion will help us in reducing dependency on third party for job work and improve the responsiveness to meet the timely requirement of the customers.

Higher payout ratio of dividend and utilization of reserve for buy back of equity shares has resulted in marginal increase in free reserve by ₹ 27 lakhs.

#### **Management Discussion and Analysis:**

A detailed Management Discussion and Analysis of operations for the year under review, as stipulated under Clause 49(F) of the Listing Agreement with the Stock Exchange, is provided in annexure to this report.

#### **Buy-Back of Shares:**

During the year the Company completed the buyback of Equity shares on June 25, 2010, which had commenced on December 29, 2009. In the current year the Company bought back 1,26,332 shares for a sum of ₹ 61.02 lakhs (Excluding brokerage and other charges). On completion of the buyback process the total number of Equity shares bought back were 2,95,295 shares for ₹ 142 lakhs (excluding brokerage and other charges), which represented 31.55% of the total Buy-back size of ₹ 450 lakhs.

#### **Fixed Deposit:**

The Company has no unpaid/unclaimed deposits on 31st March 2011. The amount of fixed deposits held by the Company as on 31st March 2011 was ₹ 363.75 lakhs of which ₹ 140.45 lakhs are from Directors.

#### **Directorate:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Byram Jeejeebhoy, Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

#### **Corporate Governance:**

A separate report on Corporate Governance is set out in Annexure II.



**Insurance:**

All the insurable interests and risks of your Company including Inventories, Buildings, Plant & Machineries and other fixed assets are adequately insured against risk of fire and other risks.

On 16th April 2011 there was a major fire at our Faridabad unit which has substantially burnt our Finished goods and Work in progress stock, physical records, Computer hardware and software and other electrical installations. The damage to plant & machinery was not substantial due to which the Company could normalize the operation within a week.

The Company has filed the claim and the Board is confident of getting substantial relief from the Insurance Company.

**Directors' Responsibility Statement:**

Pursuant to Section 217(2A) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to the material departures.
- (b) Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March 2011 and of the profits made by the Company for that financial year.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Annual Accounts have been prepared on a going concern basis.

**Auditors Report:**

Under para 4 of the Auditor's Report the Auditor's have qualified the report in respect of Faridabad Unit for non-availability of accounting records due to fire at the unit on 16th April, 2011.

In this respect, the Board would like to state that as a result of the fire, the management could not produce the relevant vouchers and other records for verification. However, based on the Internal Audit Report for Stock Audit as on 31st March, 2011, accounting data which was available upto the date of fire and subsequent reconciliation with the parties, the management submitted the financial statements which reflect the true and fair view of the accounts of the Company. The Board assumes full responsibility for incorporating the said financial statements in the Annual Accounts.

**Auditors:**

The Company's Auditors, M/s. Dhody & Associates, Chartered Accountants, bearing Firm Registration No. 003837C hold office upto the conclusion of the forthcoming Annual General Meeting and being eligible are recommended for reappointment, on terms to be negotiated by the Audit Committee of the Board of Directors. They have furnished the requisite certificate that their re-appointment, if effected, will be in accordance with Sec. 224(1B) of the Companies Act, 1956

**Particulars of Employees:**

The Industrial relations during the year remained peaceful and cordial

As per provisions of Section 219(1)(b)(iv) of the Act, the Directors' Report and Accounts are being sent to the members excluding the statement giving particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 as amended. Any Member interested in obtaining a copy of the statement may write to the Company Secretary.

**Internal Control Systems:**

The Company has in place adequate system of Internal Control to ensure compliance with policies and procedures. Internal Audit of all the units of the Company are regularly carried out to review the internal control systems and the Internal Audit Reports along with implementation and recommendations contained therein are constantly reviewed by the Audit Committee of the Board.

The Company has undertaken a detailed exercise to revisit its control system in technical and other non-financial area to align them properly with Management Information System. The maintenance of proper accounting records, safeguarding assets against loss and misappropriations, compliance of applicable law, rules and regulations and providing reasonable assurance against fraud will continue to remain central point of the entire control system.

**Other Information:**

The particulars relating to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be given pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

**Acknowledgements:**

The Board of Directors wishes to express its gratitude and sincere appreciation for the commitment and dedicated efforts put in by all the employees of the Company in achieving the results of the Company. The Directors also acknowledge and are grateful to its customers, members, suppliers, bankers, business partners and Central and State Governments for their continued support and confidence in the performance of the Company.

On behalf of the Board of Directors

**SURESH BHOJWANI**  
*Chairman & Managing Director*

*Place : Mumbai*

*Date : 8th June, 2011*